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MONTANA PUBLIC SERVICE COMMISSION

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## **Montana District Court Judge upholds PSC requirement to disclose executive salaries**

### ***Telecommunication company required to disclose if receiving federal funds***

**HELENA, Mont. – April 12, 2016** – A Montana District Court Judge affirmed Monday a Public Service Commission requirement that Southern Montana Telephone Co. must disclose the salary information of any executive employees in the state making \$100,000 or more annually.

The Commission ordered in February of 2015 that Southern Montana Telephone Co. must disclose executive salary information in their annual reports filed with the Commission as the company receives more than 20 percent of their revenue from a federal subsidy known as universal service funds (USF). The USF subsidy is funding available to eligible telecommunications carriers (ETCs) for providing access to broadband and voice services in rural, high-cost parts of the state. Southern serves just under 1000 customers in southwestern Montana, and approximately 55 percent of its annual revenue comes from federal USF funding.

In its brief before the court, the Commission stated that disclosure is necessary to ensure that USF funding is used for its intended purpose of providing service to underserved areas rather than bolstering executive salaries. The Commission argued that the public's constitutional right to know outweighs Southern's executive employees' right to privacy when the company accepted federal USF funding.

In his decision, Judge Mike Menahan affirmed the Commission's reasoning, stating,

"The public has a constitutional right to scrutinize Southern's public utility records as the PSC concluded in this case."

Speaking to the court's ruling, Commissioner Roger Koopman, R-Bozeman, said,

"I've always defended personal privacy, and never believed you give up your privacy rights when you go to work for a public utility. But as the Commission, and now the court have made clear, when a telecom accepts an infusion of public money, they are necessarily subjecting

themselves to a higher level of transparency and public scrutiny concerning how those tax dollars are being spent. Executive salaries are an important aspect of this. Let's remember that transparency and accountability are the hallmarks of good public policy."

The Commission has used a similar analysis of the requirements of transparency with other telecommunications companies' public utility records.

To view Judge Menahan's decision, visit: <http://1.usa.gov/1VIQDta>

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